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Governor

DEIDRE M. HENDERSON
Lieutenant Governor

State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: Carl Linvill
Jennifer Gardner
From: Michele Beck, Director, Utah Office of Consumer Services
Date: September 11, 2023
Subject: Comments responding to Questions for Stakeholders

The Utah Office of Consumer Services offers the following comments in response to the August 29, 2023 West-Wide Governance Pathway Initiative's Overview and Questions for Stakeholders. The OCS is Utah's statutorily sanctioned utility consumer advocate with the responsibility of representing residential and small commercial customers in regulatory forums and other venues. The OCS conferred with several other consumer advocates in the West in drafting these comments but did not have adequate time within this comment period to get formal "sign-on" from other offices.

Question 1: Pros and Cons to facilitating Phase 1 outside of any existing organizations

It isn't clear that there are any existing organizations through which all appropriate stakeholders can be brought together to address the issues envisioned in this initiative. However, this situation certainly presents challenges. Other regionalization efforts have typically arisen from existing organizations or collaborations among utilities (with other stakeholders brought into the process later and unevenly.) One positive element of the approach of this initiative is that it has the potential to bring a wide variety of stakeholders into the process from the beginning. One drawback is that the initiative might find it more difficult to find funding and volunteer labor. Further, it might not have "buy-in" from the utilities or other sectors who have otherwise typically led out on such initiatives. Finally, regardless of approach, this initiative will be challenged by having a stakeholder community that is already stretched too thin both with participating in and/or monitoring multiple regionalization efforts as well as the overall quantity and significance of work taking place generally in utility regulation and the electric sector.

Question 2: Most important elements of structure and process for Phase 1

We think that two of the most important elements of the Phase 1 process need to be (1) complete transparency, and (2) broad participation across geographic regions and stakeholder sectors.

Question 3: Phase 1 Scope (what do you like, what would you change)

Potential recommended changes:

- It is imperative to provide complete transparency regarding funding. A simple statement that funding is “derived from 501(c)(3) sources” is wholly inadequate. Unfortunately, experience has shown that having this tax status does not ensure that the organization has a mission consistent with the public interest and/or includes organizations with highly specific objectives that at best represent a subset of the public interest. Those promoting this initiative must disclose the specific funders so that potential participants can better understand potential goals associated with the funding.
- We recommend that more explanation be provided regarding the rationale for seating a board as part of Phase 1, which could be problematic for several reasons. The timing does not appear to allow for a fulsome recruitment, vetting, and selection process. If only “key elements” of governance are in place by December, that barely allows for enough time to have sectors coalesce and select nominating committee members by January. Second, it is unclear what the purpose of having an independent board so early in the process would be. Is it the intent that the board (i.e. not stakeholders) would determine all of the specific technical and program details of a west-wide organization? If so, this needs to be transparently articulated from the beginning of organizational and stakeholder meetings. Further, it should be explained how and why seating the board at this stage of the initiative will lead to a better outcome than to do so later in the process.
- We recommend that the scope of phase 1 be expanded to identify any key barriers to success (e.g. necessary legislation, existing utility commitments, and potential risk of obsolescence of existing infrastructure which could lead to unnecessary cost burdens on ratepayers.) Solutions to such barriers should be addressed early in the process, rather than spending resources (including stakeholder time and effort) developing technical elements only to be stymied down the road by these identifiable obstacles.

Question 4: Preferred stakeholder engagement model

This is a difficult question. Stakeholder engagement should be broad and inclusive, yet the aggressive timeline necessitates a smaller core group to more efficiently and quickly address the issues. The initiative should ensure that if a smaller core group is selected, those representatives have a clear understanding of the expectation that they are expected to brief and receive input from their sectors and/or regions. Also, we recommend meetings that are

primarily, if not entirely, conducted remotely to ensure that stakeholders without adequate time or resources to travel are not excluded. The initiative should provide opportunities for broad stakeholder input. In doing so, the initiative must recognize that stakeholders have many demands and won't easily be able to provide quick turnaround. Thus, the initiative must carefully determine how it requests feedback to ensure that opportunities are appropriately frequent but also adequately meaningful to justify the time spent. Ideally, in furtherance of transparency, the initiative will summarize and respond to the issues raised in comments. This initiative has ambitious objectives and tight timelines and will have to carefully involve stakeholders in order to build adequate support.